PERMINTAAN BERAS DI INDONESIA: REVISITED

Catur Sugiyanto¹
Universitas Gadjah Mada

ABSTRACT

This paper examines the demand for rice in Indonesia. The data used are time series data, ranges between 1970 and 2003, and data from National Survey (SUSENAS) 2003. We employ the Almost Ideal Demand System (AIDS) and its inverse to model the Indonesian demand for rice. We also estimate single equation, both ordinary and inverse demand models. Las but not least, the Error Correction Mechanism is used to model the demand. However, the single (ordinary) equation model outperforms the others.

The demand for rice in Indonesia has some regular behaviour, negative with respect to price and positive in line with the income. However, the magnitudes of the parameters, the elasticity, have been changing. The elasticity with respect to income is decreasing, indicates that rice is becoming an inferior goods. Family whose expenditures are lesser than 300,000 Rupiahs per month will increase their rice consumption in response to the increase in their income. The changes in the elasticity and the variability of the consumption in response to income make difficult to predict the total demand for rice.

Keywords: Indonesia, rice, demand, AIDS/IAIDS